



April 22, 2011



Council approves amendments to energy audit/rating ordinance

The Austin City Council this week approved a series of amendments to a City ordinance designed to provide efficiency information to home buyers, apartment renters and building owners to reinforce the market value of energy efficiency. The Energy Conservation Audit & Disclosure (ECAD) ordinance, initially approved by Council in 2008, was developed in cooperative effort between City staff, the real estate industry, commercial property managers and the Austin apartment community.

The ordinance took effect on June 1, 2009 for residential customers and was scheduled to take effect this June for the apartment community and businesses. The newly adopted amendments will take effect May 2, 2011 for properties located in the City Limits of Austin that receive electricity from Austin Energy.

One change relates to the requirement that sellers of single-family homes 10 years old or older disclose the results of a required energy audit to potential homebuyers. Originally, that information had to be provided "before the time of sale" which in the ordinance was defined for legal purposes as before the deed of sale was recorded. The change approved by Council requires results of the audit be provided at least three days before the end of the "option period" during which a potential buyer can cancel their contract to purchase the home.

The Council also approved a change that will give commercial properties more time to calculate an energy rating on their facilities. Originally, as indicated, commercial property owners had to report by June 1, 2011, the energy rating on any building 10 years old or older. With the change, an energy rating must be reported annually under the following schedule: reports on buildings 75,000 square feet or larger must begin by June 1, 2012; those 30,000 to 75,000 square feet by June 1, 2013 and those 10,000 to 30,000 square feet by June 1, 2014. Building owners have free online rating tools such as Portfolio Manager by Energy Star through which to calculate the energy rating for their facilities. Calculation of an energy rating allows owners and managers of commercial properties to better track their energy use and receive recommendations through the tools on cost-effective, energy-efficiency improvements. The change requiring annual reporting was supported by the Building Owners and Managers Association of Austin (BOMA Austin) that promotes the use of Portfolio Manager to improve facility efficiency and therefore competitive advantage in the marketplace.

The Council also changed a requirement relating to multifamily properties with an energy usage per square foot exceeding 150 percent of the average for similar apartment communities. Previously, properties in excess of 150 percent were required to make energy efficiency improvements necessary to reduce energy usage to within 110 percent of the average. Under the change, those above 150 percent must reduce energy use by 20 percent. The property also must disclose to prospective tenants that the property has been designated a higher than average energy use property and that the tenant's electric bills will be higher than if they lived at a more energy efficient comparable property. Council directed City staff to

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work with stakeholder apartment and tenant association groups to develop the specific language to be used. Of the almost 1,000 apartment communities in Austin, preliminary estimates indicate that only about 50 have energy usage above 150 percent of the average.

The Council also added a provision affecting condominiums, which were not addressed in the original ordinance. Owners of four or fewer condominiums must meet the requirements for single-family homes and those owning five or more units at one location must meet the requirement for multifamily properties.

Austin Energy provides enhanced rebates that pay up to 80 percent of the costs for adding solar screens, installing energy-efficient lighting and repairing duct leaks to help apartment communities reduce their energy usage. Austin Energy also sponsors free classes at Austin Community College that teach commercial customers how to use the free online rating tools. The utility also sends college-trained interns to small businesses without charge to assist owners in developing their energy ratings.

For more information, visit www.austinenergy.com or call (512) 974-7827.